



Office of the President

3 November 2017

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Room TW-A325
Washington, D.C. 20554

Re: *In the Matter of Credit Union National
Association Petition for Declaratory
Ruling* (CG Docket No. 02-278)

Dear Ms. Dortch:

Navy Federal Credit Union (Navy Federal) appreciates the opportunity to submit this letter in response to the Federal Communication Commission's (FCC) request for comment on the Credit Union National Association's (CUNA) Petition for Declaratory Ruling (the "Petition"). Navy Federal is the nation's largest natural person credit union, with more than \$83 billion in assets and over seven million members, and is committed to serving the financial needs and improving the financial condition of our members.

The Petition asks the FCC to adopt an "established business relationship" exemption from the Telephone Consumer Protection Act's (TCPA) consent requirements for informational calls or text messages made by or on behalf of credit unions to their members' wireless phone numbers. Navy Federal supports the Petition. As we discuss below, Navy Federal supports the established business relationship exemption for informational calls and text messages. We believe that the exemption appropriately recognizes the bond that credit unions share with their members, and that it is appropriate for the FCC to exempt credit unions from these requirements as it aligns with the legislative history of the TCPA.

DISCUSSION

The TCPA was enacted in 1991 primarily to address abusive telemarketing practices. The law intended to counter a growing number of telemarketing calls (due to advances in technology causing heightened cost-shifting and allowing increased access to consumers) that Congress found to be an invasion of consumer privacy. In the years since its adoption, the TCPA has been amended several times to address advances in technology and the new practices in which that technology was applied. However, while the TCPA successfully reduced the number of unwanted telemarketing calls, it also hindered legitimate informational communications for companies with its customers.

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Navy Federal's on-going relationship with our members clearly differs from the intrusive telemarketing practices that the TCPA was enacted to regulate. Navy Federal is a federally chartered, not-for-profit credit union that exists solely to serve its members. Our mission centers on world-class member service, and a commitment to ensure our members' financial well-being. Our members welcome and expect efficient communications regarding their membership and existing accounts. Members are increasingly disconnecting their traditional landlines in favor of cell phones. Moreover, a majority of mobile phone calls and text messages are under unlimited plans; therefore, free to wireless subscribers. Taken together, it is not surprising that our members prefer the convenience of being able to use mobile financial services, and welcome receiving informational communications via their mobile phones. As of October 2017, approximately three million Navy Federal members utilize our mobile financial services.

Providing information to our members in real time promotes transparency and can aid in sound account management. Using efficient dialing technology to communicate with our members enables Navy Federal to communicate with our members with immediacy and alert them of important information about their accounts. This information doesn't just include alerts related to traditional account maintenance (upcoming payment reminders, account balance inquiries, etc.), but may also include information notifying them of suspicious transactions, data security breaches, and other important time sensitive messages.

However, these communications are adversely affected by the unwarranted regulatory burdens associated with the TCPA. Navigating the nuances of the TCPA and its implementing regulation, combined with the risks associated with the TCPA's private right of action, unnecessarily increases the regulatory burden and impedes our ability to communicate with our members via their mobile phones. As there are further advances in technology, the demand for real-time communications is only likely to increase, and more and more members will choose to receive information through their mobile devices. In our view, adopting the "established business relationship" exemption for informational, non-telemarketing calls or text messages would alleviate the regulatory burdens. Additionally, we believe such an exemption strikes an appropriate balance between preserving the ongoing relationships we have with our members and protecting their privacy.

Navy Federal appreciates the opportunity to comment on the FCC's request for comment on an exemption for credit unions from the TCPA's consent requirements. Should you or a member of your staff have additional questions about our comments, please contact me or my point of contact, Mark Lawton, at (703) 255-8328.

Sincerely,

A handwritten signature in black ink that reads "Cutler Dawson". The signature is written in a cursive, flowing style.

Cutler Dawson
President/CEO